

Affiliation of Natixis to BPCE and guaranty and solidarity system within Groupe BPCE

With effect as of July 31, 2009 (non-inclusive), Natixis is affiliated with BPCE, the central body of Groupe BPCE. This affiliation with BPCE replaces, with effect as of same date, the dual affiliation of Natixis with Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne et de Prévoyance (CNCE), which was governed by a dual affiliation agreement terminated on the same date.

Scope

Pursuant to Law no. 2009-715 of June 18, 2009 amending the French Monetary and Financial Code, BPCE is designated as the central body of the new cooperative banking group known as “**Groupe BPCE**”, which comprises BPCE and its “**Affiliates**”, namely:

> **the members of Banque Populaire and Caisse d'Epargne networks** (Articles L. 512-11 and L. 512-86 of the French Monetary and Financial Code), namely:

- the Banques Populaires;
- the sociétés de caution mutuelle (mutual guaranty companies);
- the Caisses d'Epargne et de Prévoyance (Savings Banks);
- the sociétés locales d'épargne (local savings companies);
- the Fédération Nationale des Caisses d'Epargne et de Prévoyance (National Federation of Savings Banks).

> **the other French credit institutions affiliated with BPCE** (Article L. 512-106 paragraph 2 of the French Monetary and Financial Code), namely:

- the credit institutions that were affiliated with BFBP and CNCE as of July 31, 2009, including particularly:
 - o Natixis,
 - o Crédit Foncier de France, Banque Palatine and BPCE International et Outre-mer,
 - o The Caisses Régionales de Crédit Maritime and Société Centrale de Crédit Maritime referred to in Article L. 512-69 of the French Monetary and Financial Code,
- any French credit institution whose control is directly or indirectly held, solely or jointly, by BPCE or one or more members of the networks, affiliated by a decision made pursuant to Article L. 512-106 paragraph 2¹.

(BPCE and the Affiliates are hereinafter referred to together as the “**Beneficiaries**”).

Guaranty and solidarity system

As central body and pursuant to Article L. 511-31 of the French Monetary and Financial Code, BPCE is responsible for coordinating its networks and ensuring the correct functioning of its Affiliates. It takes all necessary measures to guaranty the liquidity and solvency of BPCE, each of the network members and of the other Affiliates.

To this end, BPCE manages an internal solidarity mechanism, benefiting all of the affiliated Beneficiaries (including Natixis). Under the guaranty and solidarity system and pursuant to Article L. 512-107 5° and 6° of the French Monetary and Financial Code, BPCE must take all necessary measures to guaranty the liquidity and solvency of Groupe BPCE and institutions affiliated with BPCE as central body, as well as to organize the financial solidarity within Banque Populaire and Caisse d'Epargne networks.

The guaranty and solidarity system is a specific regime applicable to French cooperative or mutual banking groups, pursuant to which BPCE and each of the Banques Populaires and the Caisses d'Epargne (37 credit institutions) is required to support the Beneficiaries in case of temporary cash shortage (liquidity guaranty) or in order to prevent and/or cope with severe financial failings (solvency

¹ Article L. 512-106 paragraph 2: “There may also be affiliated with it, under the conditions provided for in Article L. 511-31, credit institutions whose control is directly or indirectly held, solely or jointly pursuant to Article L. 233-16 of the French Commercial Code, by the central body of the caisses d'épargne and banques populaires or by one or several institutions belonging to these networks”.

guaranty). The solidarity mechanism is internal to Groupe BPCE and does not constitute a guaranty that is enforceable by third parties, although French banking regulators may require the mechanism to be used if needed.

Operational principles

The solidarity mechanism is operated by BPCE under the sole authority of its *directoire* (**“Management Board”**). The Management Board is made up of five members and may, at its discretion, decide to trigger the solidarity mechanism and/or to top up the Guaranty Funds (as defined below), as circumstances may require. The Management Board needs not seek any approval from BPCE’s supervisory board (*conseil de surveillance*) nor from the retail network banks (the Banques Populaires and the Caisses d’Epargne).

Furthermore in its role as central body, BPCE controls and monitors the liquidity of its Affiliates. This is in line with the extensive powers vested in it by the French Monetary and Financial Code, in particular Article L 511-31, which provides that BPCE must ensure the correct functioning of the Affiliates.

Under this guaranty and solidarity system, BPCE as central body manages:

- i) the fund of the Banques Populaires network;
- ii) the fund of the Caisses d’Epargne network, and;
- iii) the Mutual Guaranty Fund;

(Collectively the **“Guaranty Funds”**).

The Guaranty Funds within BPCE have a total sum of €1 billion at their disposal, the amount of which will be increased by an annual top-up (unless it is used for purposes of providing support). The Guaranty Funds are invested in very safe and liquid investments.

The management of the funds is entrusted to Natixis Asset Management with the objective to preserve the capital over a short-medium term horizon (investment in securities with maturities between 12 and 18 months) and to keep a high level of liquidity. The management is therefore diversified and prudent and mainly composed of fixed income investments which three separate buckets (40% of euro short term bonds, 30% of money market, 30% of flexible asset allocation). Eligible debt instruments will have a minimum AA- long term rating or A-1/P-1 short term rating.

Crisis prevention

BPCE, on account of the powers vested in it as central body, is responsible for preventing that its Affiliates (among which Natixis) face liquidity shortages. This important prevention role materializes by rigorous and frequent monitoring (which can be daily if market conditions command it) and early intervention in so far as necessary. Thus BPCE holds all necessary powers to avoid the triggering of the guaranty and solidarity system.

Available resources to provide financial support to Natixis if need be

Should the situation of Natixis require the triggering of the guaranty and solidarity system, BPCE may draw financial means from four different and complementary sources: firstly BPCE will draw on its own capital (in compliance with its shareholder duties); secondly it will call upon the Mutual Guaranty Fund; thirdly it will make a call on the two networks’ guaranty funds (Banques Populaires and Caisses d’Epargne); finally BPCE will request the contribution capacity of the Banques Populaires and the Caisses d’Epargne (37 credit institutions) up to the full amount of their equity.

The guaranty and solidarity system extends to each of the Affiliates of Groupe BPCE (including Natixis). For the avoidance of doubt, it does not extend to non-French credit institutions or to entities that are not credit institutions.